EBOOK

Inventory Control for QuickBooks Online: Building Reliable Systems Beyond Spreadsheets

A Practical Framework for Designing Perpetual, Traceability, Manufacturing, and Multi-Location Control

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Introduction

Many businesses start out by tracking inventory in spreadsheets that are manually updated. This system can work for a while, but usually fails at scale. More SKUs, higher order volume, expanding operations, and production complexity require component-level visibility that you don't get with manual methods.

When your business outgrows traditional spreadsheets, you need inventory control systems that exist to solve the exact problems you face. This guide explains how to use the four inventory control systems—quantity control, traceability control, production control, and inventory movement control—to manage and organize each type of inventory transaction.

Implementing these controls in your QuickBooks Online environment with SOS Inventory will help you maintain reliable counts, track inventory history, manage production activity, and operate with confidence as your business grows.

Why Inventory Control Must Be Designed for Scale

Manual inventory tracking usually works for simple operations with low transaction volume. You can update counts at your convenience, adjust quantities to make the numbers match during physical counts, and allow anyone with access to edit as they see fit. These aren't bad habits at first, but they become problems when you ship dozens of orders per day, manage multiple SKUs per product family, or operate across more than one location.

At scale, inventory control must be built around four domains:

1. **Quantity accuracy:** Inventory counts are automatically updated as transactions occur
2. **Traceability:** You can follow every unit through receiving, production, and fulfillment
3. **Production visibility:** Builds, component usage, and work in progress are predictable and measurable.
4. **Movement precision:** There are clear rules for inventory transfers, partial shipments, and multi-location activity.

How to Design Perpetual Inventory Control

Perpetual inventory control ensures that your system always reflects real-time stock levels. The goal is to capture inventory movement as it happens instead of updating after the fact.

Step 1: Require Sales Orders Before Fulfillment

All outbound inventory should originate from a formal sales order. Commit inventory before picking to prevent accidental over-shipping, and never allow shipments without system documentation.

Step 2: Formalize Purchase and Receiving Workflows

Require purchase orders before receiving stock. Match received quantities to ordered quantities and record discrepancies immediately to prevent errors from creeping into your system. Track partial receipts to insure full receiving is met over time.

Step 3: Eliminate Manual Quantity Edits

Remove spreadsheet-based tracking and restrict direct edits in QuickBooks Online using non-trackable item definitions. Any adjustments should be documented and approved.

Step 4: Define Inventory Visibility Standards

Train teams to consistently use “on hand,” “committed,” and “available” definitions to avoid confusion about stock status.

Step 5: Audit and Reinforce Transaction Discipline

Regularly review adjustment frequency, monitor discrepancies, and reinforce structured workflows to keep inventory reliable.

How SOS Inventory Supports Perpetual Control

SOS Inventory supports easy transaction creation and management, so you can enter receiving, picking, and shipping transactions directly into SOS Inventory as well as creating child transactions efficiently. Automated order processing converts sales and purchase activity into real-time inventory updates. Multi-location tracking lets you see stock levels by warehouse, while bin and aisle organization gives some structure to warehousing so workers can locate and move items efficiently during fulfillment and production.

How to Design Traceability Control

Traceability control means you can follow a product’s history from intake through production and final fulfillment. It’s critical for quality management, regulatory compliance, and rapid response when problems occur.

Step 1: Identify Which Products Require Traceability

Start by categorizing inventory based on regulatory, safety, or quality requirements. Some products require lot tracking, while others may need serial-level identification. Make traceability rules match operational and compliance needs rather than tracking everything by default.

Step 2: Define Receiving Data Requirements

Capture traceability data when inventory enters your system. Record lot numbers and possible expiration dates at receipt, assign serial numbers when required, and document supplier and intake details so product origin is always clear.

Step 3: Ensure Traceability Data Follows Inventory

Require trace or serial identifiers during production and fulfillment of critical goods. Prevent shipment or component release when required traceability data is missing to keep lineage intact as inventory moves through your workflow.

Step 4: Establish Correction and Exception Workflows

Define how trace errors are corrected, restrict undocumented quantity adjustments, and maintain permanent historical records of changes.

Step 5: Test Recall Readiness

Run periodic recall simulations by identifying a lot or serial group and isolating affected inventory. Confirm you can locate and report inventory quickly if quality or compliance issues arise.

How SOS Inventory Supports Traceability Control

SOS Inventory enables native lot and batch tracking, serial number tracking, landed cost assignment, and detailed transaction histories. These capabilities let you maintain product lineage automatically as inventory moves through receiving, production, and fulfillment workflows within SOS Inventory.

How to Design Manufacturing and Work in Progress Control

Use these steps to track builds, component consumption, and partially completed goods with structured production transactions instead of manual records.

Step 1: Define Bills of Materials

Document the component structure required for each finished product. Standardize assembly definitions so production follows consistent rules, and review component dependencies to prevent build errors.

Step 2: Formalize Production Transactions

Require builds to be recorded through structured assembly transactions. Eliminate spreadsheet build sheets and prevent informal component deductions that bypass the system.

Step 3: Track Work in Progress

Define the point at which inventory enters production. Record partial build stages and monitor unfinished goods so you always know where items are in the manufacturing cycle.

Step 4: Monitor Component Availability

Validate component availability before production begins. Prevent hidden shortages that can delay builds or create production bottlenecks.

Step 5: Review Production Accuracy

Compare planned component usage against actual consumption. Monitor variance trends to detect process inefficiencies or operational drift over time.

How SOS Inventory Supports Manufacturing Control

SOS Inventory supports assembly workflows with unlimited bill-of-materials levels, so you can build and manage complex product structures. Work in progress tracking lets you monitor production activity before assemblies are completed. Process manufacturing features help manage batch-based production environments, and job costing visibility helps you understand the material and labor implications of each build. Together, these tools help maintain structured manufacturing control across your operation.

How to Design Multi-Location and Movement Control

Multi-location and movement control means you know exactly where inventory is stored, how it moves, and when it changes ownership or stage within your operation.

Step 1: Define Warehouse Architecture

Organize your operation by clearly defining each storage or fulfillment location. Assign inventory directly to specific warehouses and avoid pooled inventory tracking that hides true stock positions.

Step 2: Formalize Transfer Transactions

Require every movement of inventory between locations to be recorded through structured transfer transactions. Prevent undocumented movement and capture the timing of each transfer so inventory history remains complete.

Step 3: Standardize Receiving and Shipping Workflows

Control how inventory enters and leaves locations by defining partial receiving and partial shipment processes. Record backorders systematically so customer demand stays connected to fulfillment activity.

Step 4: Centralize Inventory Visibility

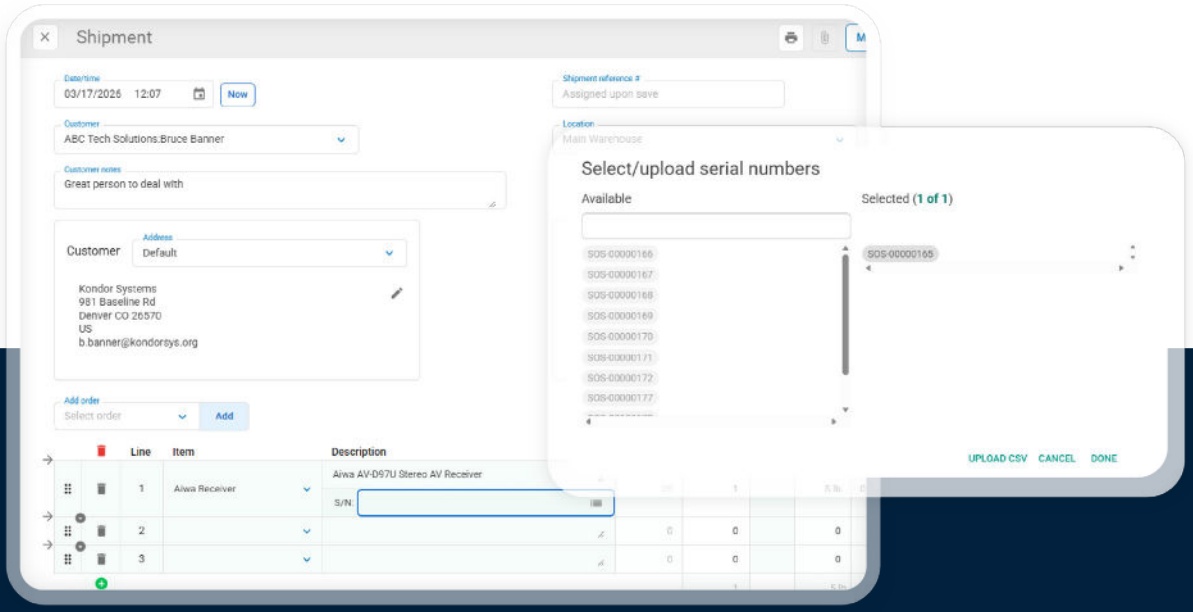
Provide consistent system visibility so teams can see inventory by location. Clearly separate available inventory from committed inventory to prevent overselling or production conflicts.

Step 5: Audit Movement Accuracy

Monitor transfer discrepancies, fulfillment delays, and movement-related errors. Regular audits help identify workflow problems before they affect customer orders or operational performance.

How SOS Inventory Supports Movement Control

SOS Inventory supports multi-location inventory tracking so you can manage stock across warehouses. Partial receiving and partial shipment workflows allow realistic handling of real-world order fulfillment. Backorder tracking keeps customer demand aligned with inventory availability, and workflow automation helps ensure transfers, picking, and shipping follow defined operational rules.



Build Reliable Inventory Control with SOS Inventory

The four systems described in this guide each address a different operational risk. Quantity control protects you from counting errors. Traceability control helps you maintain product lineage and quality accountability. Manufacturing and work in progress control keep production activity measurable and predictable. Multi-location and movement control ensure inventory exists in the correct place at the correct time.

By implementing these systems together, you can replace spreadsheet-based management with transaction-driven operations inside your inventory environment. SOS Inventory supports this structure with embedded tools for ease of use, automated transaction processing, lot and serial tracking, manufacturing management, and multi-location visibility.

Book a demo with SOS Inventory to see how you can design and operate a reliable inventory control system that scales with your business.